EXHIBIT OO

1	UNITED STATES DISTRICT COURT
2	NORTHERN DISTRICT OF CALIFORNIA
3	SAN JOSE DIVISION
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6	IN RE: HIGH-TECH EMPLOYEE)
7	ANTITRUST LITIGATION)
8) No. 11-CV-2509-LHK
9	THIS DOCUMENT RELATES TO:)
10	ALL ACTIONS.
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14	VIDEO DEPOSITION OF MICHELLE MAUPIN
15	February 12, 2013
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18	REPORTED BY: GINA V. CARBONE, CSR NO. 8249, RPR, CCRR
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10:02:36 1	Q. Was your pre-2007 salary at Lucas based on
10:02:42 2	anything other than market data?
10:02:45 3	A. I can't answer that.
10:02:49 4	Q. Because you don't know?
10:02:50 5	A. Yeah. I wasn't involved in that decision.
10:02:54 6	Q. That was going to be one of my questions.
10:02:56 7	Have you been involved in your own salary
10:02:59 8	setting decisions?
10:03:00 9	A. No.
10:03:11 10	Q. So in 2007, were you assigned a grade
10:03:16 11	A. Yes.
10:03:25 12	Q. How would well, scratch that.
10:03:29 13	Do you expect your salary grade to move up or
10:03:33 14	downward from this point forward?
10:03:38 15	A. Not in my current role.
10:03:41 16	Q. Why is that?
10:03:43 17	A. Because my job responsibilities are not
10:03:45 18	changing.
10:04:01 19	Q. So would your salary grade only change if your
10:04:04 20	job responsibilities changed from this point forward?
10:04:06 21	A. Typically, yes.
10:04:13 22	Q. Do you expect that you will make the same
10:04:16 23	salary every year from this point until you decide to
10:04:21 24	leave the company?
10:04:24 25	MS. SESSIONS: Objection. Vague.

10:04:32	1	THE WITNESS: Hopefully not.
10:04:35	2	MS. LEEBOVE: Q. Do you expect that if you
10:04:36	3	stay with the company your salary would increase?
10:04:40	4	A. Potentially.
10:04:43	5	Q. What would cause your salary to increase if you
10:04:46	6	were to stay with the company?
10:04:47	7	MS. SESSIONS: Objection. Vague. Calls for
10:04:50	8	speculation.
10:04:56	9	THE WITNESS: If you're asking what I can't
10:04:59	10	answer it that exactly, but hypothetically, it would be
10:05:04	11	based on my contributions and performance.
10:05:23	12	MS. LEEBOVE: Q. Is there a salary range
10:05:24	13	associated with your salary grade?
10:05:25	14	A. Yes.
10:05:35	15	Q. Does your current salary fall within the salary
10:05:38	16	range assigned to grade
10:05:44	17	A. Yes.
10:05:45	18	Q. What is the salary range for grade
10:05:48	19	A. I'm not going to be able to recall the exact
10:05:50	20	numbers.
10:05:55	21	Q. Can you tell me the approximate salary range
10:05:57	22	for grade ?
10:06:00	23	A. I believe the midpoint, which is what is around
10:06:05	24	The low would probably be around , and the high
10:06:12	25	would probably be around would probably be around

10:06:25 1	Q. Do you presently have room to move before your
10:06:28 2	salary hits the high end of the salary range for grade
10:06:31 3	
10:06:33 4	MS. SESSIONS: Objection. Vague.
10:06:38 5	MS. LEEBOVE: Q. Where does your present
10:06:40 6	salary fall along the spectrum from low to high
10:06:44 7	salary for grade ?
10:06:48 8	A. In the mid level.
10:07:11 9	Q. Is there any way as a grade compensation
10:07:15 10	manager that your salary could exceed the high end of
10:07:18 11	the salary range for grade ?
10:07:24 12	MS. SESSIONS: Objection. Vague.
10:07:33 13	MS. LEEBOVE: Q. Do you understand the
10:07:33 14	question or would you like me to restate it?
10:07:37 15	A. I'd like to understand in what context.
10:07:40 16	Q. I'm wondering if there's any potential as a
10:07:45 17	grade employee for you to make greater than
10:07:52 18	which you told me was roughly the high end of the salary
10:07:57 19	range for grade ?
10:07:58 20	A. And I probably may not be accurate on that.
10:08:01 21	Q. I understand.
10:08:02 22	A. Okay. Unlikely, but it's possible.
10:08:12 23	Hypothetically.
10:08:16 24	Q. Do you know whether the salary range for grade
10:08:19 25	has changed since 2007?

10:08:23 1	A. Yes.
10:08:24 2	Q. How has it changed?
10:08:29 3	A. It has increased a couple of times along with
10:08:34 4	our other salary ranges due to market growth.
10:08:51 5	Q. When you say it's increased a couple of times,
10:08:55 6	do you mean twice?
10:08:59 7	A. I believe it's been twice. Two to three times.
10:09:10 8	Q. And do you understand why the well, scratch
10:09:17 9	that.
10:09:21 10	Has the salary range increased a couple of
10:09:23 11	times as part of an annual review process of some sort?
10:09:27 12	A. Yes.
10:09:33 13	Q. What sort of annual review process is that?
10:09:41 14	MS. SESSIONS: Objection. Vague.
10:09:49 15	THE WITNESS: Once at least once each year,
10:09:51 16	we compare our ranges to the market to determine if they
10:10:01 17	are representing the market data in a competitive way
10:10:12 18	based on our compensation philosophy.
10:10:21 19	MS. LEEBOVE: Q. Do you know whether it's
10:10:22 20	only grade that has increased a couple of times
10:10:25 21	since 2007?
10:10:29 22	A. Yes, I know.
10:10:32 23	Q. And has grade t been the only salary change
10:10:34 24	that's changed since 2007?
10:10:36 25	A. No.

10:10:38 1	Q. How many other salary ranges have changed since
10:10:41 2	2007?
10:10:42 3	A. All of them.
10:10:48 4	MS. SESSIONS: Counsel, we've been going for
10:10:49 5	about an hour, so if you would like to take a break, I
10:10:53 6	don't mean to stop you right in the middle, but,
10:10:56 7	Ms. Maupin, if you need a break just let us know.
10:10:59 8	THE WITNESS: Sure. We can take a five-minute
10:11:00 9	break, if that's okay.
10:11:02 10	MS. LEEBOVE: Of course.
10:11:03 11	MS. SESSIONS: Great.
10:11:03 12	THE VIDEOGRAPHER: This is the end of video
10:11:05 13	No. 1. The time is 10:11 a.m.
10:11:07 14	We're going off the record.
10:11:09 15	(Recess taken.)
10:19:57 16	THE VIDEOGRAPHER: This is the beginning of
10:19:58 17	video 2 in the deposition of Michelle Maupin. The time
10:20:01 18	is 10:20 a.m.
10:20:03 19	We're back on the record.
10:20:10 20	MS. LEEBOVE: Q. Ms. Maupin, I want to
10:20:11 21	change the topic rather substantially and talk to
10:20:13 22	you about the declaration that you submitted in this
10:20:17 23	case.
10:20:36 24	711.
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10:20:43 1	(Whereupon, Exhibit 711 was marked for
10:20:43 2	identification.)
10:20:51 3	MS. LEEBOVE: Q. Ms. Maupin, you've been
10:20:52 4	handed what's been marked Exhibit No. 711. Do you
10:20:57 5	recognize this document?
10:21:01 6	And I encourage you to take a look through it
10:21:03 7	before you answer that.
10:23:36 8	A. Yes.
10:23:39 9	Q. Are you answering yes to my question whether
10:23:42 10	you recognize this document?
10:23:43 11	A. Yes.
10:23:44 12	Q. What is it?
10:23:45 13	A. It's the declaration. My declaration.
10:24:00 14	Q. Did you write this declaration?
10:24:03 15	MS. SESSIONS: And I'm going to caution the
10:24:05 16	witness not to reveal the contents of any
10:24:11 17	attorney-client communications that you had.
10:24:23 18	THE WITNESS: I worked on it together with our
10:24:27 19	attorney.
10:24:38 20	MS. LEEBOVE: Q. Did you write this
10:24:41 21	document?
10:24:42 22	MS. SESSIONS: Objection. Are you I think
10:24:47 23	you're getting very close to the attorney work product
10:24:54 24	privilege.
10:24:54 25	Are you asking who physically typed the

11:46:24 1	2006 at Lucasfilm?
11:46:25 2	MS. SESSIONS: Objection. Vague.
11:46:31 3	THE WITNESS: My understanding, there were
11:46:32 4	attempts made, but it was never formally used or
11:46:37 5	implemented.
11:46:44 6	MS. LEEBOVE: Q. Did Lucasfilm set
11:46:45 7	salaries prior to 2006 based exclusively on market
11:46:50 8	survey data?
11:46:54 9	A. My knowledge, and again, I wasn't there, they
11:46:59 10	looked to market data for the data specifically, but
11:47:06 11	ultimately, it would have depended on if they could
11:47:10 12	afford that for a particular position.
11:47:14 13	Q. Prior to 2006, do you know whether Lucasfilm
11:47:17 14	considered what similar employees made in making
11:47:21 15	compensation decisions?
11:47:22 16	MS. SESSIONS: Objection. Vague.
11:47:28 17	MS. LEEBOVE: Q. And maybe I can clarify
11:47:30 18	that with just a little bit.
11:47:32 19	Prior to 2006, did Lucasfilm consider what
11:47:35 20	similarly situated employees made in making compensation
11:47:39 21	decisions?
11:47:39 22	MS. SESSIONS: Same objection.
11:47:44 23	THE WITNESS: Can you clarify what you mean by
11:47:45 24	"similarly situated"?
11:47:50 25	MS. LEEBOVE: Q. Sure.

11:47:50 1	So if you had a graphic artist, let's say, in
11:47:55 2	one division and a graphic artist in another division
11:47:58 3	and those two graphic artists had the same skill set and
11:48:05 4	same level of experience, would you have considered
11:48:08 5	those two employees' salaries in comparison with each
11:48:15 6	other in setting those salary levels prior to 2006?
11:48:20 7	MS. SESSIONS: Objection. Vague. It's an
11:48:22 8	incomplete hypothetical.
11:48:26 9	THE WITNESS: So I not being there in 2006,
11:48:29 10	I couldn't answer that specifically.
11:48:35 11	MS. LEEBOVE: Q. Do you think fairness was
11:48:36 12	considered at all prior to 2006 in setting employee
11:48:39 13	salaries?
11:48:39 14	MS. SESSIONS: Objection. Vague.
11:48:43 15	THE WITNESS: What do you mean by "fairness"?
11:48:52 16	MS. LEEBOVE: Q. Was internal equity
11:48:53 17	considered at all prior to 2006 in setting
11:48:56 18	employees' salaries?
11:48:58 19	MS. SESSIONS: Same objection.
11:49:00 20	THE WITNESS: Based on my knowledge and
11:49:03 21	information that I have seen, documents I've looked at
11:49:07 22	in the past, yes.
11:49:29 23	MS. LEEBOVE: Q. If you could look over
11:49:31 24	paragraphs 17 to we can just stick with this
11:49:37 25	page 17 to 21. If you could look those over,

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11:49:40 1	please, and just let me know whether there's
11:49:42 2	anything here that you would change now to make it
11:49:45 3	more accurate or truthful.
11:49:51 4	Let me make that a question.
11:49:53 5	Will you please look this over and let me know
11:49:55 6	whether there's anything here you would change now to
11:49:57 7	make it more accurate or truthful?
11:49:59 8	And by "here," I mean paragraphs 17 through 21
11:50:02 9	of your declaration.
11:50:15 10	A. I think the only thing that I would clarify is
11:52:15 11	in paragraph 19.
11:52:20 12	Q. What would you clarify in paragraph 19?
11:52:23 13	A. I stated, "Since 2008, each position at
11:52:26 14	Lucasfilm has been assigned a salary grade." And we
11:52:31 15	don't assign a salary grade for our executives or some
11:52:35 .16	of our key creative talent, highly-compensated key
11:52:44 17	creative talent.
11:52:48 18	Q. Is there a compensation level cutoff there, I
11:52:52 19	mean, who are the highly how much do the
11:52:54 20	highly-compensated creative talent typically or what
11:52:59 21	do you consider the salary for a highly-compensated
11:53:03 22	creative talent?
11:53:03 23	MS. SESSIONS: Objection. Compound. Vague.
11:53:07 24	THE WITNESS: So it wouldn't be based on a
11:53:08 25	particular salary, a number, it would be based on the

12:11:18	1	I'm looking at page 15 of Exhibit C to your
12:11:20	2	declaration, and I'm looking at the very first column,
12:11:24	3	vertical column on the left that says Lucasfilm.
12:11:27	4	A. Uh-huh.
12:11:27	5	Q. Well, actually, it's the second column, but
12:11:29	6	it's the first column of the actual chart.
12:11:33	7	A. Ah.
12:11:33	8	Q. And then for July 2002, 2001, 2000 and 1999
12:11:40	9	A. Uh-huh.
12:11:40	10	Q what does it mean here, these percentages
12:11:43	11	company-wide? Do you know what those refer to?
12:11:48	12	A. I would anticipate my recollection is that
12:11:51	13	these this is what we spent in salary increases
12:11:57	14	during those calendar years.
12:12:04	15	Q. Does company-wide for July 2002
12:12:09	16	suggest that everybody's salary in the company was
12:12:11	17	raised by
12:12:13	18	A. No.
12:12:14	19	Q. Could you explain to me what it does mean.
12:12:17	20	A. It means overall, the salaries, on average,
12:12:22	21	were increased
12:12:30	22	Q. Did Lucas not use the merit in call-out budgets
12:12:38	23	for raises back in well, I would say before January
12:12:45	24	2006?
12:12:46	25	MS. SESSIONS: Objection. Vague. Compound.

12:12:54 1	THE WITNESS: Based on the information that was
12:12:55 2	gathered, I would think not, but I can't speak to that
12:13:00 3	directly.
12:13:42 4	MS. LEEBOVE: Q. I think you mentioned
12:13:43 5	earlier, and I've been looking for it in our rough
12:13:47 6	transcript here, that the salary ranges at Lucasfilm
12:13:56 7	had increased two or three times since you started
12:14:00 8	working there.
12:14:03 9	Do you remember our discussion of that?
12:14:04 10	A. Yes.
12:14:08 11	Q. Can you attribute those increases in the salary
12:14:11 12	ranges or salary grades to the pay for performance
12:14:17 13	process?
12:14:18 14	MS. SESSIONS: Objection. Compound. Vague.
12:14:27 15	THE WITNESS: It is not in conjunction of the
12:14:29 16	pay for performance process. It's to a separate process
12:14:33 17	that's done at the end of the year prior to the upcoming
12:14:40 18	calendar year to review our market position and our
12:14:47 19	ranges compared to that market position to see if we're
12:14:51 20	maintaining market parity. Our range structure is. If
12:14:57 21	our range structure is not maintaining market parity,
12:15:00 22	then we will adjust the structure to be in line with
12:15:04 23	market and our market philosophy.
12:15:17 24	MS. LEEBOVE: Q. When Lucasfilm makes
12:15:18 25	adjustments to the salary structure in order to

12:15:21 1	maintain market parity, does that adjust employee
12:15:29 2	compensation?
12:15:31 3	A. Not directly, no.
12:15:32 4	Q. How does it not directly increase an employee's
12:15:35 5	compensation?
12:15:37 6	A. The range structure increases. An employee's
12:15:41 7	salary increases based on their performance, and it's
12:15:47 8	reviewed annually during the pay for performance.
12:15:51 9	Q. Okay. So I have a question about the salary
12:16:19 10	budgets. For instance, paragraph 35 of your declaration
12:16:26 11	states, all out of cycle increases must come out of the
12:16:29 12	call-out budget; therefore, if one employee receives an
12:16:32 13	out of cycle increase, less money is left in the
12:16:34 14	call-out budget to provide out of cycle increases to
12:16:36 15	other employees.
12:16:39 16	Do you see that in paragraph 35?
12:16:41 17	A. Yes.
12:16:41 18	Q. And do you agree with that paragraph 35?
12:16:43 19	A. Yes.
12:16:46 20	Q. Why couldn't Lucas just put more money in the
12:16:51 21	call-out budget to increase salaries of more employees?
12:16:57 22	MS. SESSIONS: Objection. Vague. And it's an
12:17:00 23	incomplete hypothetical.
12:17:07 24	THE WITNESS: So No. 1, the company will have a
12:17:10 25	limited resource in terms of what they can afford.

12:17:14 1	No. 2, not all employees would need to have an
12:17:18 2	out-of-cycle action.
12:17:27 3	MS. LEEBOVE: Q. Okay. I think I I'm
12:17:32 4	not sure I understand your response.
12:17:44 5	Has the company ever spent so much money on the
12:17:46 6	call-out budget that there is just no money left at the
12:17:52 7	end of the year?
12:17:56 8	MS. SESSIONS: Objection. Vague.
12:17:58 9	THE WITNESS: I'm not quite sure what you mean
12:17:59 10	by that.
12:18:01 11	MS. LEEBOVE: Q. Well, I guess I'm trying
12:18:02 12	to understand why the why you perceive the
12:18:04 13	call-out budget as so finite. And so rather than
12:18:13 14	have a limited call-out budget that only certain
12:18:16 15	employees could get the benefit of, why not just
12:18:20 16	increase? Why could that budget not be larger so
12:18:22 17	that one employee wouldn't have to forgo a bonus so
12:18:26 18	another employee could get one?
12:18:28 19	MS. SESSIONS: Objection. Compound. Calls for
12:18:30 20	speculation.
12:18:33 21	THE WITNESS: So the call-out budget and salary
12:18:37 22	budgets have no reference to bonuses.
12:18:42 23	MS. LEEBOVE: Q. Okay.
12:18:43 24	A. They're only about regarding base pay.
12:18:45 25	Q. Okay. That's helpful.

04:21:00 1	We're back on the record.
04:21:16 2	(Whereupon, Exhibit 724 was marked for
04:21:16 3	identification.)
04:21:18 4	MS. LEEBOVE: Q. Ms. Maupin, you've been
04:21:20 5	handed Exhibit 724. And I can tell you in advance I
04:21:39 6	don't have substantive questions about the content
04:21:41 7	of the document. Mostly well, in other words,
04:21:50 8	there will be no quiz after your review.
04:22:59 9	A. Okay.
04:23:00 10	Q. Have you seen this document before that's been
04:23:02 11	marked as Exhibit 724?
04:23:04 12	A. Yes.
04:23:09 13	Q. On Monday, January 29th, 2009, it looks like
04:23:13 14	Jan van der Voort sent to you this comp 101 overview
04:23:18 15	presentation?
04:23:19 16	A. Yes.
04:23:21 17	Q. Did who prepared the presentation slides?
04:23:26 18	A. I believe I did.
04:23:32 19	Q. Are there any pages, as you look at this today,
04:23:35 20	that you know that you didn't create?
04:24:08 21	I should qualify that Ms. van der Voort wrote
04:24:12 22	to you that Mich well, that either she or Mich Chau
04:24:20 23	changed slide 11 and deleted 12.
04:24:32 24	So let me ask a new question.
04:24:35 25	Beyond what Jan van der Voort represents as a

04:24:37 1	changed slide 11 and a deleted slide 12, does this look
04:24:41 2	like the present presentation that you prepared?
04:24:43 3	A. Yes.
04:24:44 4	Q. Did you present this anywhere?
04:24:48 5	A. If it was presented, it would have been to Jan,
04:24:55 6	obviously, Steve and Mich.
04:25:08 7	Q. Is there anything in your presentation that you
04:25:11 8	currently disagree with?
04:25:46 9	A. No.
04:25:47 10	Q. Okay. Does Lucas engage in an annual salary
04:26:03 11	survey process?
04:26:04 12	A. Yes.
04:26:06 13	Q. Has Lucas had a salary survey process every
04:26:08 14	year since you've worked there?
04:26:10 15	A. Yes.
04:26:13 16	Q. Does the salary survey process ever result in
04:26:19 17	changes in the pay grades?
04:26:24 18	A. Yes.
04:26:25 19	Q. How?
04:26:30 20	A. We touched on it before, but at the end of
04:26:34 21	prior to each calendar year, in the fall, we review each
04:26:39 22	job pay range and employee as it compares to the market
04:26:46 23	data based on the job match. And if there is a delta
04:26:53 24	between our pay range, meaning the midpoint, and our
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targeted market position, which primarily has been

04:26:56 25

04:27:01 1	, and if overall we find that our pay
04:27:05 2	structure has fallen behind market, we will recommend
04:27:09 3	I will recommend to adjust the structure.
04:27:11 4	Q. Okay. Thank you.
04:27:16 5	Mostly I wanted to confirm we were talking
04:27:18 6	about the same thing this morning that you're talking
04:27:20 7	about in your presentation here. And we were, correct?
04:27:25 8	A. If we're talking about salary structure.
04:27:28 9	Q. Exactly.
04:27:29 10	A. Yes.
04:27:29 11	Q. That's all we're talking about.
04:27:30 12	A. Okay.
04:27:30 13	Q. Everything that we talked about this morning,
04:27:32 14	that's encompassed in this one sentence, right?
04:27:39 15	Okay. That's all I have on that. I want to
04:27:43 16	change the subject a bit.
04:28:07 17	Does Lucas try to pay its employees fairly?
04:28:09 18	MS. SESSIONS: Objection. Vague.
04:28:15 19	THE WITNESS: What do you mean by fairly?
04:28:20 20	MS. LEEBOVE: Q. Well, in your opinion, as
04:28:23 21	an HR professional, what makes an employee's pay
04:28:28 22	fair?
04:28:29 23	A. An employee's pay is fair when it is aligned
04:28:33 24	appropriately with the company's compensation
04:28:37 25	philosophy. And I emphasize aligned appropriately.

04:28:50 1	Q. And you're referring specifically to Lucasfilm?
04:28:53 2	A. No. You asked me if what defines fair pay
04:28:58 3	for an employee.
04:29:01 4	Q. And I guess the lawyer in me is thinking that
04:29:02 5	perhaps the philosophy itself is unfair. And so tying
04:29:07 6	a just basing an employee basing compensation on
04:29:11 7	the philosophy, if the philosophy isn't fair, might not
04:29:17 8	make the salary fair?
04:29:19 9	MS. SESSIONS: Objection. Compound and vague.
04:29:23 10	MS. LEEBOVE: Q. Can you tell me what
04:29:25 11	you well, I believe you said that you, in your
04:29:29 12	opinion, consider an employee's pay fair when it's
04:29:32 13	aligned with the company's philosophy. Are there
04:29:35 14	any other considerations that you would consider in
04:29:42 15	deciding whether an employee's pay is fair?
04:29:45 16	MS. SESSIONS: Objection. Misstates the
04:29:47 17	witness' testimony. Witness stated that when it is
04:29:51 18	aligned appropriately with the philosophy.
04:29:57 19	MS. LEEBOVE: Q. I didn't mean to rob you of
04:30:01 20	your appropriately. I promise.
04:30:02 21	What factors go into making an employee's
04:30:05 22	compensation fair?
04:30:09 23	A. Again, understanding the what that job and
04:30:15 24	skill set is worth. And that will be determined based
04:30:23 25	on be determined on based on a number of things,

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04:49:49	24
04:49:51	25

- Q. Who is
- A. is a director in the R&D organization.
- Q. Do you know what she meant when -- do you know what Vanessa meant when she said that the delta between the salary feels too broad to her?
- A. I wouldn't presume to know exactly what she meant, but I could -- my interpretation would be that she felt their salaries would need to be a little bit more aligned.
- Q. Can two employees doing essentially the same job with essentially the same duties have different titles?
 - A. I wouldn't recommend it.
- Q. Why would you want to avoid two employees doing essentially the same job with different titles?
- A. In order to make sure that we -- as we were treating the job and those employees fairly for the responsibilities they were performing.
- Q. Do you believe it would be fair to pay an entry-level employee in a particular job family the same wage as a long-term highly-experienced employee in that same job family?
 - A. State the question one more time.
- Q. Do you believe it would be fair to pay an entry-level employee in a particular job family the same

04:49:54 1	wage as a long-term highly-experienced employee in that
04:49:58 2	same job family?
04:50:02 3	A. And what do you mean by entry level? Entry
04:50:06 4	level in what context?
04:50:09 5	Q. Well, you mentioned that there are different
04:50:12 6	grades within each job family.
04:50:14 7	A. Uh-huh. Yes.
04:50:15 8	Q. And so, if you were to hire we can use, for
04:50:19 9	example, an engineer. If you were to hire a 22-year-old
04:50:24 10	engineer directly out of college, would it be fair to
04:50:26 11	pay that person the same amount, the same salary that
04:50:28 12	you're paying to a 22-year veteran of Lucas who's also
04:50:33 13	working as an engineer in the same job family?
04:50:37 14	MS. SESSIONS: Objection. Vague. It's an
04:50:40 15	incomplete hypothetical.
04:50:45 16	THE WITNESS: I would say no. It would not be
04:50:47 17	appropriate to pay them the same.
04:50:53 18	MS. LEEBOVE: Q. Are there any internal
04:50:55 19	equity implications that would arise if you were to
04:51:00 20	pay an entry-level employee in a job family the same
04:51:05 21	salary as a senior employee in that same job family?
04:51:12 22	MS. SESSIONS: Objection. Vague.
04:51:17 23	THE WITNESS: Possibly.
04:51:22 24	MS. LEEBOVE: Q. What sort of internal
04:51:24 25	equity issues might arise?

04:51:29 1	A. I would anticipate that if a junior level or a
04:51:35 2	junior-skilled employee was at the same or same pay
04:51:39 3	level as a senior employee, that might cause
04:51:47 4	dissatisfaction for even the manager of those employees.
04:51:55 5	Q. And what might happen as a result of that sort
04:51:59 6	of dissatisfaction?
04:52:04 7	A. Could be a number of things.
04:52:08 8	Q. Like what?
04:52:12 9	Do you think the senior person would be likely
04:52:13 10	to ask for a raise if he or she discovered that the most
04:52:20 11	junior member of in his or her job family was being
04:52:24 12	paid the same or more?
04:52:29 13	A. Perhaps.
04:52:35 14	Q. From a compensation perspective, would you feel
04:52:37 15	as if you had to raise the salary of the more senior
04:52:40 16	person who found out that someone junior to him or her
04:52:44 17	was making the same salary?
04:52:50 18	A. Again, I think we'd have to define what junior
04:52:54 19	meant in terms of if we're strictly talking about skill
04:53:00 20	set or time at the company and time in a work
04:53:04 21	environment.
04:53:06 22	Q. Okay. From a compensation perspective, would
04:53:11 23	you feel as if you had to raise the salary of a more
04:53:14 24	senior person who found out that someone junior to him
04:53:17 25	in terms of skill level was making the same salary

04:53:23 1	let me ask that again.
04:53:25 2	From a compensation perspective, would you feel
04:53:26 3	as if you had to raise the salary of the more senior
04:53:29 4	person who found out that someone with inferior skills
04:53:35 5	was making the same salary?
04:53:37 6	MS. SESSIONS: Objection. Incomplete
04:53:37 7	hypothetical.
04:53:43 8	THE WITNESS: I think it would you're making
04:53:45 9	a statement that the junior employee has inferior
04:53:49 10	skills, but I think that depends on who's making that
04:53:54 11	assessment.
04:53:56 12	But I would say not necessarily would we have
04:53:57 13	to raise the more senior individual's salary. It would
04:54:02 14	depend on the situation.
04:54:03 15	MS. LEEBOVE: Q. Do you think the more
04:54:05 16	senior person would be likely to ask for a salary
04:54:07 17	adjustment than not?
04:54:11 18	MS. SESSIONS: Objection. Incomplete
04:54:12 19	hypothetical. Calls for speculation.
04:54:19 20	THE WITNESS: Potentially.
04:54:21 21	MS. LEEBOVE: Q. Would it be fair to pay an
04:54:23 22	unskilled employee the same wage as a highly-skilled
04:54:26 23	employee?
04:54:34 24	A. It would depend on I'm not sure what context
04:54:37 25	we're trying to use that in.

04:54:41 1	Q. In your work in human resources and the
04:54:43 2	compensation field, what do you have you heard of the
04:54:48 3	term unskilled?
04:54:51 4	A. Yes.
04:54:52 5	Q. In reference to an employee?
04:54:58 6	A. To a particular employee?
04:55:00 7	Q. Any employee.
04:55:02 8	A. It's a term that we don't typically use.
04:55:05 9	Q. Okay. Would it be fair to pay a janitor the
04:55:14 10	same wage as a director of the company?
04:55:19 11	A. I would say no.
04:55:24 12	Q. Would it be fair to pay an entry-level
04:55:28 13	position, and by that I mean a position taken by someone
04:55:33 14	who's fresh out of college, the same as a director-level
04:55:39 15	position?
04:55:42 16	MS. SESSIONS: Objection. Vague.
04:55:45 17	THE WITNESS: A director of?
04:55:47 18	MS. LEEBOVE: Q. Just all other things being
04:55:48 19	equal. Would it be fair to pay an entry-level position
04:55:52 20	the same the same salary as a director-level position
04:55:55 21	in the same job family?
04:55:59 22	A. Typically, no.
04:56:04 23	Q. Can you think of any instance where it would be
04:56:06 24	fair?

Not at this point in time.

04:56:18 25

04:56:25 1	Q. In setting employee salaries, Lucas considered
04:56:28 2	peer relationships; is that correct?
04:56:32 3	A. Yes.
04:56:33 4	Q. Can you explain the significance of peer
04:56:35 5	relationships in setting compensation at Lucasfilm.
04:56:44 6	A. The significance is to consider individual
04:56:50 7	employee's pay within a similar job and pay range using
04:56:57 8	the same type of skill sets to appropriately align those
04:57:05 9	employees relative to their peers and to market.
04:57:18 10	Q. Do peer relationships let me start over.
04:57:23 11	Are peer relationships only significant in
04:57:25 12	setting compensation for employees with similar jobs?
04:57:36 13	MS. SESSIONS: Objection. Vague.
04:57:47 14	THE WITNESS: So I let me back up one on my
04:57:50 15	previous answer.
04:57:52 16	The one thing I didn't throw in there was
04:57:54 17	pay performance. So employees' performance levels
04:58:00 18	would also be part of that equation.
04:58:02 19	MS. LEEBOVE: Q. Which equation?
04:58:04 20	A. An internal peer relationship.
04:58:14 21	In terms of your question regarding peer
04:58:18 22	relationships for nonsimilarly skilled. Is that what
04:58:22 23	your question was?
04:58:31 24	Q. I think we've discussed internal equity briefly
04:58:34 25	a couple of times today.

04:58:36 1	A. Yes.
04:58:37 2	Q. And it seems to me that each time we've
04:58:40 3	discussed the concept of internal equity, and what it
04:58:44 4	means to you, you've confined its meaning to involve two
04:58:50 5	or more employees with the same skills doing similar
04:58:55 6	jobs. And I'm wondering whether you believe the concept
04:59:00 7	of internal equity can apply where two or more employees
04:59:11 8	have very different jobs and earn very different amounts
04:59:14 9	of money?
04:59:16 10	MS. SESSIONS: Objection. Compound.
04:59:22 11	THE WITNESS: I would say not typically.
04:59:24 12	However, if we're talking about executive or senior,
04:59:26 13	high senior level management jobs, you can do that
04:59:33 14	because you're looking across the company at their scope
04:59:36 15	of responsibility and their impact that
04:59:40 16	responsibility's impact to the company.
04:59:55 17	MS. LEEBOVE: Q. Would paying an
04:59:57 18	entry-level position the same as a
05:00:03 19	much-more-senior-level position in the same job
05:00:05 20	family raise any internal equity concerns?
05:00:14 21	A. I think you asked that previously, and it could
05:00:24 22	raise concerns.
05:00:31 23	Q. What sort of concerns could it raise?
05:00:42 24	A. I would want to make sure that we were aligning
05:00:47 25	our the particular job and family appropriately with

05:03:42 1	(Discussion off the record.)
05:03:54 2	THE REPORTER: 727.
05:03:56 3	(Whereupon, Exhibit 727 was marked for
05:03:56 4	identification.)
05:04:33 5	MS. LEEBOVE: Q. Please let me know when
05:04:35 6	you've had a chance to take a look at this document
05:04:39 7	which has been marked as Exhibit 727, LUCAS00201067
05:04:45 8	through 071.
05:06:01 9	You are, of course, free to take all the time
05:06:03 10	you need to review the document. The only questions I
05:06:05 11	have are with regard to the Thursday, May 8th, 2008,
05:06:11 12	1:54 p.m. email message that appears to be from you to
05:06:15 13	Jan van der Voort with a cc to Della Berger.
05:06:25 14	A. Say the time frame.
05:06:26 15	(Reporter clarification.)
05:06:26 16	MS. LEEBOVE: Della Berger.
05:06:26 17	Q. It starts at the bottom of page 068 and moves
05:06:30 18	on to page 069.
05:06:37 19	A. Okay.
05:07:05 20	Q. Do you recall sending and receiving the emails
05:07:07 21	that are contained in Exhibit 727?
05:07:11 22	A. I recall this, yes.
05:07:13 23	Q. Is this what happened to your former direct
05:07:17 24	report, ?
05:07:19 25	A. Correct.

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05:08:38	16
05:08:39	17
05:08:46	18
05:08:54	19
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05:09:45	24
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- Q. Did she end up leaving the company after this exchange of emails in 727?
 - A. Yes.
- Q. Can you tell me what you meant when you wrote at page 201069, almost exactly halfway down the page, where you said, "Internal equity is a concern, although we just hired which is in the same range"?
- A. In terms of where it aligned her within Jan's particular team. For those employees that were in jobs within the grade 12 band.
- Q. Was the internal equity concern that might be paid more than her colleagues?
 - A. In some cases.
- Q. And that in others, she might be paid less than her colleagues?
 - A. Yes.
 - Q. Why is that an internal equity concern?
- - Q. So why is that a concern?
 - A. In terms of what? Compared to --

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- 05:11:23 18
- 05:11:26 19
- 05:11:55 20
- 05:11:58 21
- 05:12:03 22
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- 05:12:40 24
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- Q. Well, in terms of your email message where you wrote internal equity is a concern.
- A. Primarily because, again, we would be going above midpoint of the range as well as above of the market data.
 - Q. And why is that problematic?
- it's -- we take a harder look at when we're moving employees beyond ________, because we look at that -- and -- or I don't even say we have to look at it. Because we are then paying what we consider a premium for that employee because we're paying beyond what our market position is.

It's not problematic, it's just that we --

- Q. How does that involve internal equity?
- A. So I can't speak to the other jobs because I don't have the other market data here. But with internal equity, it's just, again, how she would align if she had another person in her job, specifically, which she doesn't. She was a unique one-off individual.
- Q. I want to go back, if we could, to a prior exhibit. It was the one marked Coker Exhibit 359. It looks like this. It does not have a yellow sticker in front of it. It was between 717 and 718.

And what is your -- do you -- well, what is your understanding of what internal equity means on page

05:27:16 1	survey data, peer relationship data, and salary
05:27:19 2	structure data?
05:27:25 3	MS. SESSIONS: Objection. Compound.
05:27:32 4	THE WITNESS: Yes.
05:27:36 5	MS. LEEBOVE: Q. Why did you include the
05:27:39 6	Singapore anything having to do with Singapore in the
05:27:44 7	comp sheet?
05:27:46 8	A. This role was for a role within the Singapore
05:27:52 9	studio.
05:27:55 10	Q. Okay. Then why did you compare or why did
05:27:56 11	you include information for the U.S. peer group?
05:28:03 12	A. Just to understand who was in the technical
05:28:09 13	training organization.
05:28:20 14	Q. So the employee who is the subject of these
05:28:24 15	emails appears to be someone named
05:28:32 16	(as read), "David Anderman will be joining the meeting
05:28:35 17	to put forth his recommendation
	. "
05:28:41 19	MS. SESSIONS: Objection as mischaracterizing
05:28:43 20	the document. To the extent that it's suggesting that
05:28:46 21	the whole email is about whole email string.
05:28:56 22	THE WITNESS: Could you repeat your question.
05:29:00 23	MS. LEEBOVE: Q. Does this entire email
05:29:02 24	string appear to concern David Anderman's desire to
05:29:10 25	have salary increased to

05:29:14	1	?
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A. No.

Q. Does only this second-in-time message concern
David Anderman's

A. Yes.

Q. Okay. Actually can you read that email message for me out loud.

A. (As read), "Just a heads up - David Anderman will be joining the meeting to put forth his recommendation that

he comes in and makes his pitch and then he needs to leave so you and Steve can make your decision. Janetta has already told him I don't agree with the salary and I don't want you to feel pushed into approving. In looking at the comp sheet, she would be at the top other than (who doesn't earn OT) and who's been here 20 years. She's the second 'newest' employee in the EA group. We are proposing which would put her mid pack. Unless we want to raise the salaries of other EA's, I think this is fair. David is basing his recommendation of

anything to substantiate it."

on his opinion of the market but he doesn't have

05:30:49 1	Q. Was your concern let me strike that.
05:30:58 2	Was a concern of yours that raising
	would put upward pressure on the
05:31:11 4	salary structure within the EA group?
05:31:15 5	A. As I recall this, my concern was that the
05:31:19 6	was out of line for the fact she was being newly
05:31:24 7	promoted into this group.
05:31:29 8	Q. Does your email suggest that you would have
05:31:31 9	been okay with the if her
05:31:37 10	colleagues' salaries were raised as well?
05:31:40 11	A. I think my if you're referring to my
05:31:43 12	sentence "Unless we want to raise salaries of the other
05:31:46 13	EA's, I think this is fair," what I meant by that was, I
05:31:50 14	believe the what we were proposing, which was
05:31:55 15	was fair.
05:32:06 16	Q. Well, it seems like to me that you may be
05:32:10 17	talking about the prior sentence.
05:32:11 18	A. Yes.
05:32:12 19	Q. You say, "We are proposing which would
05:32:14 20	put her mid pack." Is that right?
05:32:18 21	Do you mean by that you said you believed
05:32:31 22	that when you were proposing, that was fair?
05:32:38 23	A. That's what I believe I was referring to. Yes.
05:32:41 24	Q. But then you go on to say, "Unless we want to
05:32:43 25	raise the salaries of the other EA's, I think this is

05:32:45 1	fair."
05:32:46 2	A. No. What I meant or what I am trying to say
05:32:50 3	is, the statement "I think this is fair" is in relation
05:32:54 4	to the fact that the proposal of is fair and
05:32:59 5	appropriate.
05:33:19 6	Q. Would it have been unfair if you raised the
05:33:22 7	salaries of the other executive assistants?
05:33:27 8	A. I would have to look at the numbers, but I
05:33:29 9	don't believe I believe the would still have
05:33:32 10	been fair given the fact she was being newly promoted.
05:33:48 11	Q. Would it have been fair for to receive
05:33:54 12	the same compensation as?
05:33:59 13	A. I don't believe so.
05:34:20 14	Q. Does your email also suggest that might
05:34:23 15	be fair if the other salaries were raised?
05:34:29 16	A. I believe I answered that. No. I believe,
05:34:32 17	when I was referring to "I think this is fair" is the
05:34:35 18	proposal of . I believe that would be the right spot
05:34:39 19	for her.
05:34:44 20	Q. What meaning do you attribute to your phrase
05:34:46 21	"Unless we want to raise the salaries of the other
05:34:50 22	EA's,"?
05:35:01 23	A. Meaning if they truly felt was the
05:35:07 24	correct spot for an entry-level executive assistant,
05:35:11 25	then we would probably have to go back and revisit are

05:35:15 1	we appropriately aligning this job to the market and to
05:35:19 2	its pay range for all the employees in that category.
05:35:33 3	Q. Would you do that for purposes of adjusting
05:35:37 4	salaries down?
05:35:44 5	MS. SESSIONS: Objection. Vague.
05:35:53 6	THE WITNESS: I'm not sure what you mean by
05:35:55 7	that.
05:36:06 8	MS. LEEBOVE: Q. You just told me that what
05:36:08 9	you meant by "Unless we want to raise the salaries of
05:36:11 10	the other EA's" was that, quote, "If they truly felt
05:36:15 11	was the correct spot for an entry-level executive
05:36:19 12	assistant, then we would probably have to go back and
05:36:21 13	revisit are we appropriately aligning this job to the
05:36:25 14	market and to its pay range for all the employees in
05:36:28 15	that category."
05:36:34 16	So what do you mean by that?
05:36:46 17	A. Basically what I stated, meaning to review the
05:36:50 18	market data and the pay range for that job to confirm
05:36:57 19	that we were paying it based on the skill set and our
05:37:04 20	stated comp philosophy.
05:37:09 21	Q. All other things being equal, if was a
05:37:14 22	fair salary for to would you feel like you had to
05:37:20 23	also increase salaries?
05:37:25 24	MS. SESSIONS: Objection. Vague.
05:37:31 25	THE WITNESS: I don't recall what their

05:37:32 1	salaries are, so I'd have to look at the numbers to
05:37:35 2	answer that question.
05:37:41 3	MS. LEEBOVE: Q. Even though you know that
05:37:44 4	raising would make her would
05:37:47 5	put her at the top, other than
05:37:55 6	Do you need to see their exact salary figures
05:37:58 7	to know whether it would be whether you would need to
05:37:59 8	raise them if you know that they're the two most senior
05:38:05 9	people?
05:38:06 10	MS. SESSIONS: Objection. Compound. Vague.
05:38:11 11	THE WITNESS: Yes. Because for all I know,
05:38:13 12	they could be making well well beyond . I
05:38:19 13	don't recall or know what they were making at the time.
05:38:23 14	MS. LEEBOVE: Q. Well, if they were making
05:38:24 15	well beyond with, why would you be concerned with
05:38:27 16	paying Desiree P
05:38:30 17	A. I'm not saying I am. You just asked me would I
05:38:35 18	be inclined to give increase both
05:38:40 19	salary if the others were raised to that level. I'm
05:38:46 20	saying I can't answer that.
05:39:16 21	Q. Can you tell me what a call-out equity
05:39:19 22	adjustment is within the context of Lucasfilm?
05:39:24 23	A. The term call-out is something that has been
05:39:28 24	used within I'm not sure within the entertainment
05:39:33 25	industry, but it certainly has been used within the

05:39:37 1	Lucasfilm organization. A callout is something that's
05:39:41 2	in addition to somebody's merit increase.
05:39:48 3	Q. And why would Lucas give a callout equity
05:39:51 4	adjustment?
05:39:53 5	A. So callout does not just refer to an equity
05:39:57 6	adjustment. It can also refer to a promotion.
05:40:03 7	Q. I'm asking specifically about a callout equity
05:40:07 8	adjustment, though.
05:40:07 9	A. I understand.
05:40:08 10	Q. Why does why does Lucas make callout equity
05:40:13 11	adjustments?
05:40:16 12	A. So an equity adjustment could be for a couple
05:40:20 13	of reasons. One could be to align the employee more
05:40:26 14	appropriately in their salary range given their
05:40:30 15	continued performance and skill set and contributions.
05:40:37 16	Another could be based on how that employee aligns with
05:40:45 17	their internal peer group based on the same set of
05:40:50 18	criteria.
05:41:09 19	MS. LEEBOVE: Mark this 730.
05:41:11 20	(Whereupon, Exhibit 730 was marked for
05:41:11 21	identification.)
05:41:13 22	MS. LEEBOVE: Q. Ms. Maupin, you've been
05:41:15 23	handed Exhibit 730 oh, sorry about that.
05:41:19 24	Ms. Maupin, you've been handed Exhibit No. 730.
05:41:23 25	It begins with LUCAS00199904 as the Bates number and

05:41:29 1	continues to 199906.
05:43:42 2	A. Okay.
05:43:49 3	Q. Do you remember sending and receiving these
05:43:53 4	emails in Exhibit 730?
05:44:01 5	A. Yes.
05:44:11 6	Q. It looks like there are a number of employees
05:44:15 7	who received equity adjustments to get into range
05:44:22 8	well, pardon me. (on page 1, it appears
05:44:34 9	that Vanessa Hall recommended that he receive an equity
05:44:38 10	adjustment to get him into the range.
05:44:41 11	What does that mean?
05:44:48 12	A. There might have been a there could be
05:44:50 13	situations where an employee has been paid below the
05:44:55 14	minimum of the range for various reasons.
05:45:00 15	Q. Why is that something that Lucas wouldn't want
05:45:02 16	to continue to tolerate?
05:45:06 17	A. I'm not suggesting they are.
05:45:09 18	Q. Well, let me back up.
05:45:13 19	Why would Lucas not want to tolerate
	continued payment below the salary range?
05:45:24 21	MS. SESSIONS: Objection. Vague.
05:45:31 22	THE WITNESS: Because we obviously would have
05:45:33 23	graded a job based on what we think is the appropriate
05:45:38 24	value for that job as determined by market and our comp
05:45:43 25	philosophy.

I, Gina V. Carbone, Certified Shorthand
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first duly sworn and the foregoing testimony was
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I further certify that I am not of counsel or
attorney for either of any of the parties in the
foregoing proceeding and caption named or in any way
interested in the outcome of the cause in said caption.
The dismantling, unsealing, or unbinding of
the original transcript will render the reporter's
certificates null and void.
In witness whereof, I have hereunto set my
hand this day: February 21, 2013.
X Reading and Signing was requested.
Reading and Signing was waived.
Reading and signing was not requested.
GINA V. CARBONE
CSR 8249, RPR, CCRR